



Cincinnati Retirement System Pension Fund Task Force

Minutes

May 6, 2008 / 3PM
Centennial II - Auditorium

Present:

Milton Dohoney - Chair
Francis Wagner
Cathy Crain
Marianne Steger
Chris Stenger
Marijane Klug
John Brazina (CODE representative)

Absent:

James F. Girton
Diana Frey
Linda Graviss

Administrative Staff Present:

Joe Gray
Lea Carroll
Hilary Bohannon

The Chair confirmed a quorum and the meeting was called to order: 3:05 PM

APRIL 8, 2008 TASK FORCE MINUTES

Minor amendment noted. Motion made by M. Klug and seconded by C. Crain to approve the minutes as submitted. The motion was carried.

BUCK CONSULTANTS

Buck Consultants, Matthew Crouch, Larry Langer, and Chris Marshall, presented a draft of the Independent Actuarial Review of the Retirement System for Employees of the City of Cincinnati – Prepared for The City of Cincinnati Task Force.

Contents of the report included:

- ✚ Estimated Liability for Post-Retirement Healthcare
- ✚ Estimated impact to Liability for Post-Retirement Healthcare under Three Scenarios
- ✚ Range of Contributions to the Plan for 2008 and 2009
- ✚ Range of Change in Assets/Liabilities
- ✚ Review of Retirement System Assumptions and Methods

- ✚ Projected Contributions and Funded Status
- ✚ Benchmarking Post-Retirement Medical
(includes survey report on Employee Benefits from Watson Wyatt Data Services)
- ✚ Potential Changes to Current Healthcare Benefits

Based on analysis, Buck submitted twelve recommendations:

1. Put Medical Plans Out to Bid
2. Claims Audit
3. Dependent Eligibility Audit
4. Revise Prescription Copays
5. Mandatory Mail-Order for “Maintenance” Prescription Drugs
6. Consumerism
7. Wellness Programs
8. Communication Audit
9. Medicare Coordination
10. Changing Retiree Medical Plan
11. Eliminating Indemnity Option
12. Revise Retirement Eligibility

Members reviewed the report and agreed the scope needed narrowing. Members requested more specific data with the results in a format easily understood by the general public. Analysis considerations:

- Benchmarking with government plans
- Consumerism – assess cost savings with the judicious use of health care
- Conduct Market Search to compare salary levels of employees
- Identify the city contribution rate (percentage of salary) as translated into hard-dollars
- Assess scenarios for enforcing generic brand drug utilization. Calculate savings of increased generic brand utilization.
- Should city consider linkage with the Drug Purchasing Coalition
- Data reflecting pension healthcare liability: public vs CRS

Members were asked to contact J. Boudinot with any additional questions for Buck.

Motion made by M. Klug to adjourn, seconded by C. Crain. Meeting was adjourned: 5:40PM